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In The
Supreme Court of the United States

DALLAS THOMASON, DAVID D. THOMASON, CHARLES F. THOMASON, LUCKNOW, INC., AND BALE-A-DAY, INC.,

Petitioners,

v.

MONSANTO COMPANY AND DELTA PINE AND PINE LAND COMPANY,

Respondents.

On Petition For Writ Of Certiorari To The United States Court Of Appeals For The Federal Circuit

PETITION FOR WRIT OF CERTIORARI

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QUESTIONS PRESENTED

1. Whether A Patent Describing Only A DNA Construct But No Plant Variety, Can Support A Judgment For Infringement Against Farmers Who Only Plant And Save Seed Of An Unpatented Plant Variety Into Which The Patented DNA Construct Has Been Inserted By Genetic Engineering.

2. Whether Use Of A Seed Label That States All Seed Saving By Farmers Is Prohibited, When The Seed Variety Marketed Is Protected Under The Plant Variety Protection Act, Is Unlawful And Inequitable Conduct That Bars Delta From Recovering Damages For PVPA Infringement And Bars Monsanto From Recovering Damages For Patent Infringement, Because 7 U.S.C. § 2543 Grants A Right To Farmers To Save Seed.

PARTIES TO THE PROCEEDING

Petitioners are Dallas Thomason, David D. Thomason, Charles F. Thomason, Lucknow, Inc., and Bale-A-Day, Inc. (Parent corporations or publicly held companies owning 10% or more of any Petitioner's corporate stock: none.)

Respondents are Monsanto Company and Delta and Pine Land Company.

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PETITION FOR WRIT OF CERTIORARI

Petitioners' petition for a writ of certiorari to review the judgment of the Federal Circuit Court of Appeals in this case.

OPINIONS BELOW

The opinions, orders, and judgments of the United States District Court for the Western District of Louisiana, Civil Action No. 97-145-M, are unreported. (App. A-3 to A-29) The Federal Circuit Court of Appeals in Appeal No. 01-1643, 1644, entered a judgment affirming the District Court without an opinion on October 17, 2002, except at 2002 WL 31359020 (Fed. Cir.). (App. A-1) A petition for rehearing en banc was denied December 11, 2002 (order unreported). (App. A-30)

STATEMENT OF JURISDICTION

The judgment of the Federal Circuit Court of Appeals was entered on October 17, 2002. The Court of Appeals entered an order on December 11, 2002, denying a petition for rehearing en banc, which had first been referred to the panel that heard the appeal, and thereafter was referred along with the response to the circuit judges who were in regular active service. The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1).

STATUTORY PROVISIONS INVOLVED

1. 35 U.S.C. § 101, defining the subject matter of "Inventions patentable" (App. A-34).

2. 35 U.S.C. § 112, requiring a written description of the invention sufficient to enable one skilled in the art to make and use the invention (App. A-34).

3. 7 U.S.C. § 2401(a)(3), as amended 1994, defining an "essentially derived variety" under the Plant Variety Protection Act, 7 U.S.C. § 2321, et seq., including an essentially derived variety developed by genetic engineering (App. A-32).

4. 7 U.S.C. § 2541(c), as amended 1994, providing that § 2541, defining acts of infringement of plant variety protection, applies to "any variety that is essentially derived from a protected variety . . . ", thereby giving the owner of the initial protected variety the right to pursue PVPA infringement remedies as to the essentially derived variety (App. A-33).

5. 7 U.S.C. § 2543, giving farmers the right to save seed and plant it in a later season (App. A-33).

6. 7 U.S.C. § 2544, allowing "use and reproduction of a protected variety for plant breeding or other bona fide research . . . " (App. A-34).

STATEMENT OF THE CASE

Respondent Monsanto, a seed and agricultural chemical company, filed a complaint in this action alleging a claim for patent infringement under 35 U.S.C. § 271. Respondent Delta, a seed company, filed a complaint in

this action alleging a claim for infringement of Plant Variety Protection Act (PVPA) certificates under 7 U.S.C. § 2541. Petitioner David Thomason is a psychologist and was a citizen of Louisiana at all times material to Respondents' claims. All other Petitioners are farmers or farming corporations, and are citizens of Louisiana. Monsanto is a citizen of Delaware and Missouri, and Delta is a citizen of Delaware and Mississippi. District Court jurisdiction was averred under 28 U.S.C. § 1332 because of diversity of citizenship and because the claim exceeds $75,000.00. District Court jurisdiction was also averred under 28 U.S.C. § 1338(a) because this is a civil action arising under the United States patent laws and the United States plant variety protection laws. Jurisdiction also rested on federal question jurisdiction under 28 U.S.C. § 1331(a). The Federal Circuit Court of Appeals had jurisdiction of the appeal under 28 U.S.C. § 1295.

Respondent Monsanto sued petitioners claiming infringement of U.S. Patent No. 5,196,525 ('525 patent) issued under 35 U.S.C. § 101 on a DNA construct used in genetic engineering of Delta's cotton varieties NuCOTN 33-B and NuCOTN 35-B. Respondent Delta sued Petitioners claiming infringement of plant variety protection certificates issued under the PVPA, 7 U.S.C. § 2321 *et seq.*, on NuCOTN 33-B and NuCOTN 35-B. Respondents asserted that the Petitioners infringed the patent and PVPA certificates by planting saved seed descended from the NuCOTN varieties.

Petitioners were engaged in the cotton farming business in 1996 and 1997. Monsanto had developed a genetic engineering process that allowed it to insert the Bt crylA(c) gene into cotton plant DNA. The Bt gene is naturally found in soil but does not naturally occur in

cotton plants. The Bt gene is a protein that increases resistance of cotton plants to certain insect pests. Monsanto refers to it as the "Bollgard gene". Monsanto's Patent No. 5,500,365 describes the Bt gene. *See, Mycogen Plant Science, Inc. v. Monsanto Company*, 61 F.Supp.2d 199, 215 (D. Del. 1999), *aff'd.*, 243 F.3d 1316 (Fed. Cir. 2001). Petitioners were not sued for infringement of the '365 patent describing the Bt gene.

Monsanto's '525 patent describes a DNA construct that causes enhanced transcription of a "nucleotide sequence of interest". In the NuCOTN varieties the '525 patent DNA construct operates to increase the level of expression of the Bt crylA(c) protein. Monsanto's '525 patent states these claims:

> What is claimed:
>
> 1. A DNA construct having as components, (a) a transcription initiation region including (i) a tandemly duplicated CaMV 355 enhancer sequence comprising an AluI-EcoRV fragment of a CaMV 355 upstream region: (ii) a promoter comprising an RNA polymerase binding site and an mRNA initiation site: (b) a nucleotide sequence of interest for transcription to mRNA: and (c) a termination region wherein said components are operably joined.
>
> 2. The DNA construct according to claim 1, wherein said promoter is a T-DNA gene 7 or gent 5 promoter of a CaMV 355 promoter.
>
> 3. The DNA construct according to claim 1, further comprising as component (d) the right T-DNA border.

> 4. The DNA construct according to claim 1, wherein said sequence of interest is an open reading frame with an initiation codon for expressing a polypeptide of interest.
>
> 5. The DNA construct according to claim 1, wherein said promoter is a CaMV promoter.

Monsanto's '525 patent claims a purified and isolated "DNA construct". The patent does not describe Delta's NuCOTN 33-B or NuCOTN 35-B, or any other plant variety. It was these NuCOTN varieties that Respondents claimed Petitioners planted in 1996, harvested, and then planted saved seed in 1997. The '525 patent also does not describe any purified and isolated DNA compound that is the Bt crylA(c) gene. The closest the '525 patent comes to describing a DNA molecule or compound that is the Bt crylA(c) gene is this language from claim number one: " . . . a nucleotide sequence of interest for transcription to mRNA. . . . " Petitioners did not use any '525 patent DNA molecule, DNA compound, or "DNA construct" in its purified and isolated state in laboratory surroundings. They used only plants and seeds and the natural process of plant sexual reproduction whereby the entire genome of a plant and its seed replicates itself.

On September 6, 2000, Magistrate Judge James Kirk granted Monsanto's Motion for Partial Summary Judgment, finding that Petitioners infringed Monsanto's '525 patent. Additionally, on or about September 8, 2000, Delta filed its Motion for Partial Summary Judgment which was granted by Magistrate Judge Kirk on September 11, 2000, finding that Petitioners infringed Delta's certificates of protection issued pursuant to the PVPA on NuCOTN 33-B and NuCOTN 35-B.

A jury trial on the issue of damages also began on September 11, 2000, and the jury returned a verdict in favor of Monsanto and Delta and against Petitioners and two settled defendants. The District Court found Monsanto charged farmers a royalty of $32 per acre planted in Bt cotton seed and that the farmer's cost of Delta's seed was $8.64 per acre planted. (Delta's profit was $5.37 per acre). Thus, Petitioner's cost of seed plus royalty payment would have been $40.64 per acre. The District Court's award after remittitur was $60.35 per acre to Monsanto and $30.02 per acre to Delta. The District Court determined the infringements were willful (except for Petitioner David Thomason) and doubled damages, for a total award to Monsanto and Delta of $180.74 per acre. Petitioners were found to have planted NuCOTN on 4,000 acres.

The Magistrate Judge ordered a remitted compensatory and enhanced damage award in the amount of $447,797.05 to Monsanto and $222,748.00 to Delta. The District Court also awarded to Monsanto $279,741 attorney fees, $57,469.13 in costs and advanced expenses, and $75,545.83 for expense of testing Petitioner's cotton fields; and to Delta $82,281.75 attorney fees and $5,801.00 costs and advanced expenses.

The label placed on bags of NuCOTN 33-B and NuCOTN 35-B stated that the cotton was protected under the Plant Variety Protection Act but also stated that saving seed and replanting it was prohibited.

Dallas Thomason testified the seed planted and saved in 1996 was purchased by Dallas from Pete Mulhearn in unmarked bags that year. He paid Mulhearn, an authorized NuCOTN dealer, in cash, about $380 for eight bags of

seed. Mulhearn bought Bt seed in 1996 personally as well as selling it to others as a distributor.

Delta's employee Boyd Fowler testified that he saw Bt cotton seed in brown bags in Mulhearn's warehouse in 1996. Fowler talked to Mulhearn and told him not to ever save Bt cotton seed again. Mulhearn denied selling seed to Dallas Thomason in bags not marked with PVPA and patent notices. Mulhearn admitted that he and other farmers lied in their reporting to Monsanto about how many acres they planted in Bt cotton. In 1996 Monsanto charged a royalty of $32 per acre and therefore under-reporting the number of acres planted reduced the total royalty a farmer had to pay. Thomason testified that Mulhearn never said anything about the unmarked seed being a genetically engineered variety and that he did not know it was Bt cotton.

The District Court entered partial summary judgment on liability holding that Petitioners had infringed the '525 patent and the Delta PVPA certificates on the NuCOTN plant varieties. The District Court explained its ruling:

> The fact is that Defendants planted 4,000 acres of cotton containing plaintiffs' patented gene technology, admit they have no license for the patented cotton and have offered no receipt, canceled check, invoice, or other evidence to show that they ever purchased Monsanto seed. There simply is no evidence on which the jury could reasonably find for the defendants.
>
> Finally, to the extent that the defense offered by defendants is simply that they are innocent and did not intend to infringe the patent, such evidence is irrelevant. Innocent intent is no defense to

a patent infringement action. See *Chavez v. Arte Publico Press*, 204 F.3d 601, 607 (5th Cir. 2000).

At the trial on damage issues, including the issue of willful infringement, the court excluded all evidence of defendants' explanation of the acquisition from Mulhearn of the seed that was planted on about 40 acres of a 75 acre field in 1996, saved, and planted on approximately 4,000 acres in the crop year 1997. The basis for exclusion of this evidence was the District Court's Memorandum Ruling granting summary judgment on liability issues. The interrogation of Dallas Thomason by Respondents' counsel at the damage trial was designed to infer that defendants had no explanation for where and how the seed planted on the 40 acres was acquired. Even when Respondent's counsel directly asked Dallas Thomason where he acquired the seed, the District Court ordered the witness not to answer. In final argument Respondents' counsel repeatedly emphasized the failure of Petitioners to explain where and how the seed that was planted on the 40 acres was acquired.

Petitioners served interrogatories and document requests, and conducted a Rule 30(b)(6) deposition, through which they sought information on damages claimed by Monsanto and Delta and information on expert opinion testimony and its factual basis. (Defendants' Interrogatories Nos. 1, 3, 6; Defendants' First Document Request No. 13; Defendants' Rule 30(b)(6) Depo. Notice par. 9 and accompanying document request par. 13) Respondents never produced prior to trial any documents or discovery responses explaining its theory of damage, the component elements of its damage claims, the amount of each component element, or the total damage claimed. Monsanto's 30(b)(6) deposition witness Frederick Perlak

testified Monsanto was unable to quantify its alleged damages. This answer was never supplemented. The only damage evidence provided prior to trial was that Monsanto charged a royalty of $32 per acre planted in Bt cotton seed. Petitioners' counsel at the damage trial had to deal with the undisclosed damage evidence on the fly.[1]

Neither Monsanto nor Delta ever listed Monsanto employee David Rhylander as an expert witness. At trial Monsanto questioned Rhylander about his qualifications for testifying about damages. Rhylander gave expert testimony on damages which had never before been disclosed to Petitioners. At one point Rhylander testified Monsanto could have damages as high as $15,360,000.00. Rhylander was allowed to testify over defendant's objection.

Petitioners filed a notice of appeal to the Federal Circuit Court of Appeals. The Federal Circuit entered a judgment affirming the District Court without an opinion. (App. A-1). Petitioners filed a Petition For Rehearing En Banc seeking review of the two questions raised in this Petition For Writ of Certiorari. The Petition for Rehearing was first referred to the Panel that entered the judgment without an opinion, then to all judges of the court, and was denied. (App. A-30).

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[1] Petitioners' trial counsel was Donald L. Kneipp, of Monroe, Louisiana.

REASONS FOR GRANTING THE WRIT

I. THE FEDERAL CIRCUIT'S JUDGMENT CONFLICTS WITH *J.E.M. V. PIONEER*, 534 U.S. 124 (2001), ON THE IMPORTANT QUESTION OF WHETHER A PATENT DESCRIBING ONLY A DNA CONSTRUCT BUT NO PLANT VARIETY, CAN SUPPORT A JUDGMENT FOR INFRINGEMENT AGAINST FARMERS WHO ONLY PLANT AND SAVE SEED OF AN UNPATENTED PLANT VARIETY INTO WHICH THE PATENTED DNA CONSTRUCT HAS BEEN INSERTED BY GENETIC ENGINEERING.

Monsanto's judgment against petitioners is for infringement of claim 1 of the '525 patent. Claim 1 states:

> 1. A DNA construct having as components, (a) a transcription initiation region including (i) a tandemly duplicated CaMV 355 enhancer sequence comprising an AluI-EcoRV fragment of a CaMV 355 upstream region; (ii) a promoter comprising an RNA polymerase binding site and an mRNA initiation site; (b) a nucleotide sequence of interest for transcription to mRNA; and (c) a termination region wherein said components are operably joined.

Respondent Monsanto contended the '525 patent covers plants in farmers' fields and seeds in farmers' bins. Monsanto argued infringement of the '525 patent was proved by results obtained from laboratory tests of plant material samples from petitioners' fields. Laboratory test results showed a genetic sequence description that indicated the plant material samples must have been from the progeny of laboratory plant tissue into which the patented DNA construct had been inserted by genetic engineering.

In *J.E.M. Ag Supply, Inc. v. Pioneer Hi-Bred International, Inc.*, 534 U.S. 124, 122 S.Ct. 593, 596 (2001), Pioneer held seventeen utility patents on seventeen different specifically described plant varieties. The court in *J.E.M.* held that a 35 U.S.C. § 101 utility patent covering a specifically described new, useful, and non-obvious plant variety is valid. 122 S.Ct. at 598-599. The patents endorsed in *J.E.M.* were patents on plant varieties – not a patent on a DNA construct inserted into an unpatented plant variety by genetic engineering. The judgment entered against Petitioners by the Federal Circuit Court of Appeals establishes this rule: a research company that (1) in a laboratory inserts a patented DNA construct into plant tissue which operates to increase the level of expression of a particular gene, and (2) utilizes the natural process of plant sexual reproduction to develop plant varieties whose genomes will yield laboratory test results showing the genetic sequence of the DNA construct, (3) thereby obtains a utility patent on every plant or seed exhibiting that genetic sequence description in a laboratory test. This is not close to the holding of the Court in *J.E.M. v. Pioneer*.

At page 29 of its appellee brief before the Federal Circuit, Monsanto admits that " . . . the patent claims a recombinant DNA construct, not a sexually-reproducing plant as at issue in *J.E.M.*" The '525 patent is not a patent on a plant variety like that the Supreme Court upheld in *J.E.M. v. Pioneer*. Monsanto has proceeded to enforce the '525 patent across the country as though it was a patent on many different plant varieties. It is not. It is only a patent on a DNA construct Monsanto successfully isolated and inserted into plant tissue in laboratory surroundings by genetic engineering.

Petitioners were found to have planted Respondent Delta's NuCOTN 33-B and/or NuCOTN 35-B plant varieties and saved and replanted the cottonseed. Delta had been issued Plant Variety Protection Certificates on both varieties under the Plant Variety Protection Act (PVPA), 7 U.S.C.A. § 2321, et seq. In *J.E.M.*, the challenge to the seventeen utility patents on specifically described plant varieties contended two plant-specific federal statutes, the PVPA and the Plant Patent Act (PPA), 7 U.S.C. §§ 161-164, were the exclusive means of obtaining a federal statutory right to exclude others from sexually reproducing a plant variety (reproducing by planting seed). 122 S.Ct. at 598-599.

The court in *J.E.M.* said that an important fact evidencing Congress' intent that PVPA protection could coexist with § 101 utility patent protection for plants was that utility patents on plants were "much more difficult to obtain" than PVPA certificates of plant variety protection. 122 S.Ct. at 604. A main reason for the increased difficulty of obtaining a utility patent on plants was the 35 U.S.C. § 112 requirement that there must be a description of the plant variety that will enable others to 'make and use' the invention. *Id.* The court in *J.E.M.* explained:

> It is much more difficult to obtain a utility patent for a plant than to obtain a PVP certificate because a utility patentable plant must be new, useful, and nonobvious, 35 U.S.C. §§ 101-103. *In addition, to obtain a utility patent, a breeder must describe the plant with sufficient specificity to enable others to "make and use" the invention after the patent term expires. § 112.* The disclosure required by the Patent Act is "the *quid pro quo* of the right to exclude." *Kewanee Oil Co. v. Bicron Corp.*, 416 U.S. 470, 484, 94 S.Ct. 1879,

> 40 L.Ed.2d 315 (1974). The description requirement for plants includes a deposit of biological material, for example, seeds, and mandates that such material be accessible to the public. See 37 CFR §§ 1.801-1.809 (2001); see also App. 39 (seed deposits for U.S. Patent No. 5,491,295).
>
> By contrast, a plant variety may receive a PVP certificate without a showing of usefulness or nonobviousness. See 7 U.S.C. § 2402(a) (requiring that the variety be only new, distinct, uniform and stable). *Nor does the PVPA require a description and disclosure as extensive as those required under § 101.* The PVPA requires a "description of the variety setting forth its distinctiveness, uniformity and stability and a description of the genealogy and breeding procedure, when known." 7 U.S.C. § 2422(2). It also requires a deposit of seed in a public depository, § 2422(4), but neither the statute nor the applicable regulation mandates that such material be accessible to the general public during the term of the PVP certificate. See 7 CFR § 97.6 (2001).
>
> *Because of the more stringent requirements, utility patent holders receive greater rights of exclusion than holders of a PVP certificate. Most notably, there are no exemptions for research or saving seed under a utility patent. . . .* [Emphasis added]

122 S.Ct. at 604-605.

The Monsanto '525 patent does not describe the NuCOTN 33-B or NuCOTN 35-B plant varieties, or any other varieties. It is not the type of § 101 utility patent the Court described in *J.E.M.* that could justifiably coexist with the plant specific PVPA. It is not a patent on a plant variety. It is a patent on an isolated DNA construct only,

and as such cannot render a farmer liable to the patent owner for saving and replanting seed.

A DNA construct that is not isolated and purified is not patentable subject matter. *Amgen, Inc. v. Chugai Pharmaceutical Co., Ltd.*, 927 F.2d 1200, 1206 (Fed. Cir. 1991), *cert. denied, sub nom. Genetic Institute, Inc. v. Amgen, Inc.*, 502 U.S. 856 (1991); Notices, Department of Commerce, U.S. Patent and Trademark Office, 66 F.R. 1092, 1093, 1095, 2001 WL 9758 (F.R.) (Jan. 5, 2001). Genetic sequence data itself is not patentable. *Id.*, at 66 F.R. 1093. Laboratory test results showing a genetic sequence described in the '525 patent are not themselves patentable subject matter. *Id.*

The Petitioners never used any of the '525 patent DNA material in a purified and isolated form. Monsanto had to do extensive laboratory procedures to purify and isolate DNA material from Thomason cotton plant samples, and to describe its genetic sequence. The most petitioners ever possessed and used were cotton plants and seeds that could eventually be linked by laboratory procedures to a DNA sequence that was described in the '525 patent. Petitioners did not use any isolated DNA materials or methods described in the '525 patent to perform genetic engineering acts in a laboratory. They only allowed the entire genomes of plants and their seed to utilize their *natural process* of sexually reproducing the entire plant genome.

Once Monsanto inserted the '525 DNA construct into plant cells, Monsanto and Delta had to use the natural process of sexual reproduction to produce the NuCOTN plant varieties involved in this suit. No purified and isolated DNA material existed during this sexual reproduction

process. Petitioners only used that same natural plant sexual reproduction process when they saved cotton seed and replanted it.

The U.S. Patent and Trademark Office Notice, January 5, 2001, Utility Examination Guidelines, 66 F.R. 1092, 1093, states:

> A patent claim directed to an isolated and purified DNA molecule could cover, e.g., a gene excised from a natural chromosome or a synthesized DNA molecule. An isolated and purified DNA molecule that has the same sequence as a naturally occurring gene is eligible for a patent because (1) an excised gene is eligible for a patent as a composition of matter or as an article of manufacture because that DNA molecule does not occur in that isolated form in nature, or (2) synthetic DNA preparations are eligible for patents because their purified state is different from the naturally occurring compound.
>
> * * *
>
> Like other chemical compounds, DNA molecules are eligible for patents when isolated from their natural state and purified or when synthesized in a laboratory from chemical starting materials. *A patent on a gene covers the isolated and purified gene but does not cover the gene as it occurs in nature.* Thus, the concern that a person whose body "includes" a patented gene could infringe the patent is misfounded. The body does not contain the patented, isolated and purified gene because genes in the body are not in the patented, isolated and purified form. . . .
>
> * * *

> The genetic sequence data represented by strings of the letters A, T, C and G alone is raw, fundamental sequence data, i.e., nonfunctional descriptive information. *While descriptive sequence information alone is not patentable subject matter, a new and useful purified and isolated DNA compound described by the sequence is eligible for patenting*, subject to satisfying the other criteria for patentability. [Emphasis added]

As with human DNA, when plant DNA is no longer in a purified and isolated form, it ceases to be a patentable DNA molecule or composition. Petitioners did not purify and isolate any DNA molecule or composition, employ any method using Monsanto's '525 patent isolated DNA construct, or use any Monsanto patented process. All petitioners did was save seed of a plant variety and sexually reproduce the variety.

The '525 patent does not specifically describe any plant variety nor does it even claim "plants" or "seeds". The '525 patent is not within shouting distance of the § 101 utility patent described in *J.E.M.* that the Court held could confer patent rights on plants despite Congressional enactment of the plant-specific PVPA and PPA.

The Plant Variety Protection Act Amendments of 1994 added the definition of an "essentially derived variety", at 7 U.S.C. § 2401(a)(3). A reason behind the amendments was Congress' concern that use of genetic engineering to add a gene to a PVPA protected variety could lead to a claim that a new variety had been developed.[2] The

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[2] The PVPA 1994 Amendments added the "essentially derived variety" concept to conform the PVPA to the 1991 Act of The International

(Continued on following page)

amendments therefore provide that a genetically engineered variety that "is predominately derived from the initial variety" is not a new variety eligible for separate PVPA protection. Section 2401(a)(3), as amended, provides:

> (3) Essentially derived variety
>
> (A) In general
>
> The term "essentially derived variety" means a variety that –
>
> (i) is predominantly derived from another variety (referred to in this paragraph as the "initial variety") or from a variety that is predominantly derived from the initial variety, while *retaining the expression of the essential characteristics that result from the genotype or combination of genotypes of the initial variety*; and

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Convention For The Protection Of New Varieties Of Plants (UPOV Convention). Press Release No. 30 issued from Geneva, Switzerland, April 21, 1998, by the International Union for the Protection of New Varieties of Plants (UPOV), announced that the 1991 UPOV Convention had entered into force. Press Release No. 30 stated in part:

> Perhaps most importantly if a genetic engineer uses a protected variety as the carrier for his innovation (insect resistance or herbicide resistance, for example), he may not be able to use the engineered variety without the authority of the owner of the protected variety, if the engineered variety is considered to be "essentially derived" from the protected variety. Prior to the 1991 revision, the engineered variety could have been exploited with no recognition of the contribution of the breeder of the protected variety to the final result.

> (ii) except for differences that result from the act of derivation, conforms to the initial variety in the expression of the essential characteristics that result from the genotype or combination of genotypes of the initial variety.
>
> (B) Methods
>
> An essentially derived variety may be obtained by the selection of a natural or induced mutant or of a somaclonal variant, the selection of a variant individual from plants of the initial variety, backcrossing, *transformation by genetic engineering*, or other method. [Emphasis added]

Section 2541 of Title 7, "Infringement of plant variety protection" was also modified. It now reads:

> (c) Applicability to certain plant varieties
>
> This section shall apply equally to –
>
> (1) any variety that is essentially derived from a protected variety, unless the protected variety is an essentially derived variety;
>
> (2) any variety that is not clearly distinguishable from a protected variety . . .

Thus, under the PVPA the mere addition of a DNA construct to a protected plant variety would not create a new plant variety that could qualify for PVPA protection. Rather, the owner of the initial protected variety would have the right to pursue PVPA infringement remedies as to an "essentially derived variety". But under the Federal Circuit's judgment this genetic engineering act alone is enough to obtain *patent rights on a multitude of undescribed plant varieties*. The Federal Circuit's rule makes it much easier, not much more difficult, to obtain patent

rights on a plant variety than it is to obtain PVPA protection on a plant variety. This is not the result intended by this Court when it recognized § 101 utility patents on plant varieties in *J.E.M.*

The question presented here to this Court is important. The Federal Circuit Court of Appeals has exclusive jurisdiction over cases charging infringement of patents issued under Title 35 and cases charging infringement of plant variety certificates issued under the PVPA. Therefore, the position established and followed by the Federal Circuit on this question will be the law of the land absent review by this Court. Many farmers across the nation have been charged with infringement for saving seed because they are alleged to have infringed a patent that describes only a DNA construct, but describes no plant variety and includes no seed deposit.

Saving seed to replant is an age-old practice of farmers and the practice should not lightly be circumscribed. George Washington wrote: " . . . it is miserable for a farmer to be obliged to buy his seeds; to exchange seeds may, in some cases, be useful, but to buy them after the first year is disreputable." (George Washington to farm manager William Pierce November 16, 1791). The 1994 PVPA Amendments House Report (Agricultural Committee) No. 103-699, Aug. 12, 1994 (To accompany H.R. 2927), states in Section 10, p. 17:

> SECTION 10-RIGHT TO SAVE SEED; CROP EXEMPTION
>
> * * *
>
> It is not the intent of the Committee that deletion of the provision allowing the sale of saved seed to be viewed as a step toward the eventual

> end to the traditional right of farmers to save seed for use on their own holdings. During the UPOV negotiations, many representatives to the UPOV conference asserted that farmers in their countries had a traditional right to save seed for their own use and that removal of this right would likely preclude some non-member countries, currently considering joining, from doing so. Retention of the farmers' exemption is an attempt to balance the varying interests of U.S. companies and producers, as well as to strengthen acceptance of plant breeders rights internationally.

The judgment entered by the Federal Circuit in this case makes it much easier to eliminate farmers' right to save seed than this Court contemplated when it decided *J.E.M. v. Pioneer*, where it emphasized the difficulty of describing a plant variety sufficiently to satisfy 35 U.S.C. § 112 and the necessity of a seed deposit.

Even more important than the limitation on seed saving is the further erosion of the PVPA's research exemption which results from the position staked out by the Federal Circuit in this case. 7 U.S.C. § 2544 provides:

> The use and reproduction of a protected variety for plant breeding or other bona fide research shall not constitute an infringement of the protection provided under this chapter.

The PVPA research exemption allows scientists to sexually reproduce protected plant varieties in their research. The same research activity with a patented plant variety is infringement of the patent. Making it easier to assert patent rights over a plant variety, by simply genetically engineering a new gene into a variety, makes it that much

easier to limit plant research. The company inserting the new gene need not describe any plant variety nor deposit any seed that would enable one skilled in the art to make and use the plant variety. Yet, under the Federal Circuit's position, the holder of the patent on the DNA construct can claim patent rights on as many plant varieties as it can insert its DNA construct into.

Kan Wang is a plant transformation scientist at Iowa State University. The *Des Moines Register* on March 9, 2003, reported on the fact private company patents on agricultural technology inhibit public plant research:

> Twenty years later, Wang, 45 is winning recognition for developing another way to genetically engineer corn. Teaming with Bronwyn Frame, a scientist who leads the team's laboratory work at Iowa State University in Ames, Wang uses agrobacterial cells to insert genetic material from another organism into plants.
>
> Their research, supported by federal funding and Iowa corn and soybean promotion boards, was published last year in the scientific journal Plant Physiology which called it a breakthrough technology. One reason their technology is significant is because it's publicly available – particularly important in an era when agribusinesses control much of the technology driving the revolution in the crop seed industry.
>
> The two other leading transformation technologies pose problems for public-sector researchers. The so-called gene gun, used to blast DNA into recipient plants, is inefficient, creating multiple copies of genes that can block expression of desired traits. It's also patented, which hinders commercialization of research results.

> The other method, which also uses agrobacteria to manipulate DNA, is patented, too, and costly for researchers like Wang.
>
> * * *
>
> "Hopefully, there will be more freedom for academic people to operate," Wang said last week, sitting in her office on the ground floor of Iowa State's massive agronomy building.

Wang's research is in a laboratory setting. However, granting to a company that holds only a patent on a DNA construct the right to exclude others from sexually reproducing a plant variety into which the DNA construct has been inserted has important ramifications for plant breeding. It allows the patent holder to prohibit plant breeding research in plots where plant varieties are sexually reproduced as part of the research effort.

Reviewing a Federal Circuit judgment that endorses the expansion of available patent protection over plant varieties, as has occurred under the facts of this case, is an important issue that this Court should review.

II. THE FEDERAL CIRCUIT'S JUDGMENT DECIDED AN IMPORTANT QUESTION OF FEDERAL LAW THAT HAS NOT BEEN, BUT SHOULD BE, SETTLED BY THIS COURT. THAT QUESTION IS: WHETHER USE OF A SEED LABEL THAT STATES ALL SEED SAVING BY FARMERS IS PROHIBITED, WHEN THE SEED VARIETY MARKETED IS PROTECTED UNDER THE PLANT VARIETY PROTECTION ACT, IS UNLAWFUL AND INEQUITABLE CONDUCT THAT BARS DELTA FROM RECOVERING DAMAGES FOR PVPA INFRINGEMENT AND BARS MONSANTO FROM RECOVERING DAMAGES FOR PATENT INFRINGEMENT, BECAUSE 7 U.S.C. § 2543 GRANTS A RIGHT TO FARMERS TO SAVE SEED.

Delta sold only two varieties of Bt cotton: NuCOTN 33-B and NuCOTN 35-B. All bags of these varieties sold by Delta Pine carried this language on their labels:

> WARNING-READ BEFORE OPENING:
>
> The seed in this bag contains patented technology. The user is NOT LICENSED to save any seed produced from this seed for replanting.

The Plant Variety Protection Act, however, specifically grants farmers the *federal right* to save seed:

> 2543. Right to save seed; crop exemption
>
> Except to the extent that such action may constitute an infringement under subsections (3) and (4) of section 2541 of this title, it shall not infringe any right hereunder for a person to save seed produced by the person from seed obtained, or descended from seed obtained, by authority of the owner of the variety for seeding purposes and

> use such saved seed in the production of a crop for use on the farm of the person, or for sale as provided in this section.

7 U.S.C. § 2543. The Delta/Monsanto label is a clear violation of the PVPA. It states farmers are "NOT LICENSED" to save the PVPA seed. It constitutes highly inequitable conduct. This violation of the PVPA is conduct that should deprive Delta and Monsanto of any right to recover damages in this case.

In *J.E.M. Ag Supply, Inc. d/b/a Farm Advantage, Inc. v. Pioneer Hi-Bred International, Inc.*, 534 U.S. 124, 122 S.Ct. 593, 596 (2001), this Court held that although the PVPA and the Plant Patent Act, 35 U.S.C. §§ 161-164, are the more specific statutes governing protection for plant varieties, they did not entirely preclude issuance of utility patents on plants under 35 U.S.C. § 101. *J.E.M.* was *not* a case alleging patent infringement by seed saving, as the present case does.

In the present case Delta sought the benefits of the PVPA. Monsanto knowingly allowed its patent to be utilized with a PVPA protected plant variety. Farmers have a federal right to save PVPA seed, yet Monsanto and Delta labeled the NuCOTN seed with a blanket prohibition against exercise of this federal right. A claim for patent infringement damages for saving PVPA seed constitutes a direct and irreconcilable conflict between 7 U.S.C. § 2543 and 35 U.S.C. § 101 that was not raised in *J.E.M.* (*See*, 122 S.Ct. at 605, stating there is no "positive repugnancy" in allowing utility patents on plants and PVPA coverage for plants.) This Court said utility patents provide greater protection (such as prohibiting seed saving) than the PVPA and that those differences "do not present irreconcilable conflicts . . . ". *Id.*, at 604.

However, where the protections of both the PVPA and 35 U.S.C. § 101 are claimed on the same seed, 7 U.S.C. § 2543 of the PVPA cannot simply be read out of the statute as if Congress never enacted it. Nothing in the more general language of § 101 says that saving PVPA seed is unlawful. Once Delta obtained a PVPA certificate for its NuCOTN seed, and once Monsanto knowingly allowed use of its '525 patent with PVPA seed, both gave up any right to sell the seed under a label that prohibited seed saving and to subsequently sue farmers for damages where the act of claimed infringement is seed saving.

Monsanto required that this unlawful language prohibiting seed saving be included on Bt cotton seed even though the plant variety was protected under the PVPA. The unlawful conduct of Monsanto and Delta in falsely labeling their seed bags to proclaim that farmers had no right to save seed should prevent them from benefiting by recovering any damages.

In *Imazio Nursery, Inc. v. Dania Greenhouses*, 69 F.3d 1560, 1563 (Fed. Cir. 1995), *cert. denied,* 518 U.S. 1018, 116 S.Ct. 2549 (1996), the court in dealing with the PVPA and Title 35 Plant Patents (Chapter 15, §§ 161-164, Title 35), said:

> We first consider the scope of protection of plant patents. We begin by interpreting the relevant statutory provisions. Statutes in pari materia are to be construed together. Selfway, Inc. v. Travelers Petroleum, Inc., 579 F.2d 75, 80 . . . (CCPA 1978).

The Court instructed in *Morton v. Mancari*, 417 U.S. 535, 550-551 (1974): "Where there is no clear intention otherwise, a specific statute will not be controlled or nullified by

a general one, regardless of the priority of enactment. [Citations omitted]" *Id.* at 550-551.

In more recent cases the Court has elaborated on the construction and application of later, more specific statutes, that deal with a subject area to which an earlier, more general statute also applies. In *United States v. Estate of Romani*, 523 U.S. 517, 532 (1998), the Court explained:

> . . . Even before the 1966 amendments to the Tax Lien Act, this Court assumed that the more recent and specific provisions of that Act would apply were they to conflict with the older priority statute.

The Court in *Food and Drug Admin. v. Brown & Williamson Tobacco Corp.*, 529 U.S. 120, 143 (2000), employed this same reasoning when it observed:

> At the time a statute is enacted, it may have a range of plausible meanings. The "classic judicial task of reconciling many laws enacted over time, and getting them to 'make sense' in combination, necessarily assumes that the implications of a statute may be altered by the implications of a later statute." United States v. Fausto, 484 U.S., at 453, 108 S.Ct. 668. This is particularly so where the scope of the earlier statute is broad but the subsequent statutes more specifically address the topic at hand. As we recognized recently in United States v. Estate of Romani, "a specific policy embodied in a later federal statute should control our construction of the [earlier] statute, even though it ha[s] not been expressly amended." 523 U.S., at 530-531, 118 S.Ct. 1478.

Section 2543 of Title 7 is the more specific statute and controls over the more general provisions of 35 U.S.C. § 101 if they conflict.

When Delta chose to obtain PVPA protection, it accepted the benefits that protection afforded. Monsanto chose to accept the benefits of inserting its '525 patent DNA construct into the NuCOTN plant varieties, which are PVPA protected. Respondents cannot choose to market a PVPA protected variety and then contend that the more general 35 U.S.C. § 101 wipes out those specific provisions of the PVPA that provide seed saving benefits to users of the plant variety. Placing the PVPA protected seed in the stream of commerce under a clearly unlawful label designed to prevent seed saving by all farmers is unlawful and inequitable conduct that should bar Delta and Monsanto from recovering damages for seed saving in the present case.

Like the first question presented for review, this question also is important and should be decided by this Court. Farmers all over the nation are being sold bags of PVPA protected seed which have had a patented DNA construct inserted into the genome of the Plant Variety through genetic engineering. The bags in which this seed is sold carry labels that prohibit farmers from saving seed that is PVPA protected. Under the label prohibition against harvesting seed and replanting it, plant breeding research carried on in research plots would likewise be treated by the patent holder as infringement of the patent on the DNA construct.

J.E.M. v. Pioneer did not decide whether the PVPA rights to save seed and perform research survived when both PVPA protection and patent protection is claimed on

the same plant variety. The decision in *J.E.M. v. Pioneer* has encouraged a great deal of aggressive enforcement of patents on plant varieties and DNA constructs that have been inserted into the genomes of plant varieties by genetic engineering. This Court should decide this question now as an important adjunct to the holding in *J.E.M. v. Pioneer*.

CONCLUSION

For the reasons set forth above, the petition for a writ of certiorari should be granted.

Respectfully submitted,

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NOTE: Pursuant to Fed. Cir. R. 47.6, this disposition is not citable as precedent. It is a public record. This disposition will appear in tables published periodically.

United States Court of Appeals for the Federal Circuit

01-1643,-1644

MONSANTO COMPANY,

Plaintiff-Appellee,

and

DELTA AND PINE LAND COMPANY,

Plaintiff-Appellee,

v.

DALLAS THOMASON, DAVID D. THOMASON, and LUCKNOW, INC.,

Defendants-Appellants,

and

CHARLES F. THOMASON and BALE-A-DAY, INC.,

Defendants-Appellants,

and

LASLEY D. THOMASON and 3-T COTTON FARMS OF RAYVILLE, INC.,

Defendants,

and

COTTON PLANTATION, INC.,

Defendants/

Judgment

(Filed Oct. 17, 2002)

ON APPEAL from the UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF LOUISIANA

In CASE NO(s): 97-CV-1454

This CAUSE having been heard and considered, it is

ORDERED and ADJUDGED:

Per Curiam (GAJARSA, *Circuit Judge,* PLAGER, *Senior Circuit Judge,* and PROST, *Circuit Judge*).

AFFIRMED. *See* Fed. Cir. R. 36.

DATED OCT 17 2002

ENTERED BY ORDER OF THE COURT
/s/ Jan Horbaly/BS
Jan Horbaly, Clerk

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF LOUISIANA
MONROE DIVISION

MONSANTO COMPANY, et al	CIVIL ACTION NO. 97-1454-M
VERSUS	U.S. MAGISTRATE JUDGE JAMES D. KIRK
DALLAS THOMASON, et al	

JUDGMENT

(Filed Sept. 6, 2000)

For the reasons set forth in the foregoing Ruling,

IT IS ORDERED that the motion for partial summary judgment [Doc. #80] filed on behalf of plaintiff, Monsanto Company is GRANTED, finding that defendants infringed Monsanto's technology protected by Patent 525.

THUS DONE AND SIGNED at Alexandria, Louisiana, this 6th day of September 2000.

/s/ James D. Kirk
JAMES D. KIRK
UNITED STATES
MAGISTRATE JUDGE

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF LOUISIANA
MONROE DIVISION

MONSANTO COMPANY, et al	CIVIL ACTION NO. 97-1454-M
VERSUS	U.S. MAGISTRATE JUDGE JAMES D. KIRK
DALLAS THOMASON, et al	

MEMORANDUM RULING

(Filed Sept. 6, 2000)

Before the court is plaintiff, Monsanto Company's ("Monsanto"), motion for partial summary judgment [doc. #80].

This is a suit for patent infringement filed by plaintiffs, Monsanto and Delta & Pine Land Company ("Delta"). Delta develops, markets and sells agricultural products, including cotton seed, to retail sales distributors.

Before 1996, Monsanto's scientists, through much expense and effort, developed, by way of DNA engineering, a gene which, when inserted into cotton, makes it resistant to cotton's longtime nemesis, the boll weevil.

Monsanto obtained several patents on its technology, BollGard®, then licensed the technology to, among others, Delta. Delta then developed varieties of cotton seed for planting using Monsanto's technology and produced, marketed and sold the cotton seed to "retailers."

BollGard® cotton was first introduced in 1996 under the variety names NuCotn 33[B] NuCotn 35[B]. The evidence

shows that each bag of NuCotn 33[B] sold in 1996 and in 1997 was labeled and warned the purchaser that it was protected by patent under federal law and that it was (illegal to use the seed without obtaining a license from Monsanto. The warning on the bag also advised the purchaser that it was illegal to save or resell seed produced for replanting or transfer. Finally, each bag of patented seed contained the following warning:

> Warning – read before opening: the seed in this bag contains patented technology. The user is NOT LICENSED to save any seed produced from this seed for replanting. If you are unwilling to comply with these terms, promptly return the unopened bag to the SELLER.

These varieties were the only varieties of cotton sold in the U.S. in 1996 containing Monsanto's BollGard® gene technology.

Monsanto and Delta name as defendants Dallas Thomason and various persons and entities related to him. The farms planted by those entities in 1997 totaled almost 4,000 acres of cotton, all found to contain Monsanto's BollGard® gene.

The basis for Monsanto's motion for summary judgment is quite simple. It argues that it developed, patented, licensed, and placed on the market BollGard® cotton seed and that defendants infringed its patents by planting cotton in the 1997 growing season without a license from Monsanto. Specifically, Monsanto seeks partial summary judgment on the basis of Claim 1 of one of its patents on the cotton, Patent No. 5,196,525, hereinafter "patent 525."

Defendants resist Monsanto's claims of patent infringement and argue that (1) they obtained the seed from

a licensed dealer; (2) Monsanto's patent is invalid as a matter of law; and (3) plaintiff's resistance to discovery has impeded defendants' ability to oppose the motion.

Defendants admit they had no express license from Monsanto.

The Law of Summary Judgment

Rule 56 of the Federal Rules of Civil Procedure mandates that a summary judgment:

> "shall be rendered forthwith if the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, [submitted concerning the motion for summary judgment], if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to judgment as a matter of law."

Paragraph (e) of Rule 56 also provides the following:

> "When a motion for summary judgment is made and supported as provided in this rule, an adverse party may not rest upon the mere allegations or denials of the adverse party's pleading, but the adverse party's response, by affidavits or as otherwise provided in this rule, must set forth specific facts showing that there is a genuine issue for trial. If the adverse party does not so respond, summary judgment, if appropriate, shall be entered against the adverse party."

Local Rule 56.2W (formerly 2.10W) also provides that all material facts set forth in a statement of undisputed facts submitted by the moving party will be deemed admitted for purposes of a motion for summary judgment unless the opposing party controverts those facts by filing

a short and concise statement of material facts as to which that party contends there exists a genuine issue to be tried.

In this regard, the substantive law determines what facts are "material". A material fact issue exists if the evidence is such that a reasonable jury could return a verdict for the nonmoving party. However, the mere existence of a scintilla of evidence in support of the plaintiff's position will be insufficient to preclude summary judgment; there must be evidence on which the jury could reasonably find for the defendant. *Stewart v. Murphy*, 174 F.3d 530, 533 (5th Cir. 1999), and cases cited therein.

If the movant produces evidence tending to show that there is no genuine issue of material fact, the nonmovant must then direct the court's attention to evidence in the record sufficient to establish the existence of a genuine issue of material fact for trial. In this analysis, we review the facts and draw all inferences most favorable to the nonmovant. *Herrera v. Millsap*, 862 F.2d 1157, 1159 (5th Cir. 1959). However, mere conclusory allegations are not competent summary judgment evidence, and such allegations are insufficient, therefore, to defeat a motion for summary judgment. *Topalian v. Ehrman*, 954 F.2d 1125, 1131 (5th Cir.), cert. den., 506 U.S. 825, 113 S.Ct. 82, 121 L.Ed.2d 46 (1992).

Discussion

1. Defendants claim that they bought Monsanto's products from a licensed dealer.

Monsanto having proven that the product was patented and that defendants (as defendants readily admit) did not have a license for the 3,986.4 acres they planted

found to contain Monsanto's patented gene technology, the burden is on defendants to prove their defense.

Defendants claim that defendant Dallas Thomason, father of Charles F., David R., and Lasley D. Thomason, and owner of the various farming companies named as defendants, bought the seed in a "brown bag sale" from Pete Mulhearn. Mulhearn is admitted by all parties to be an authorized representative of Tri-State Delta Chemical Company ("Tri-State"). Tri-State is a licensed dealer in the Delta cotton seed NuCotn 33 and NuCotn 35 containing Monsanto's BollGard® patented gene technology. Defendants claim that toward the end of the 1996 planting season, when almost all of the acreage had been planted, Dallas Thomason ran out of seed with about 40 acres left to be planted. Therefore, Thomason claims he purchased eight 50 pound "brown bags" of seed, without knowing it was patented seed, and planted it in 1996. He then saved the seed from the 1996 crop for planting in 1997, at which time he gave seed to his co-defendants.[1]

Thomason admits in his deposition testimony that he did not have a license from Monsanto to use the seed, but also claims he had no knowledge they were patented seed.

Dallas Thomason claims in answers to interrogatories that all of the cotton seed used for the 1997 crop year was acquired at no cost from Archibald Gin Company. Presumably this was saved seed from Thomason's 1996 crop.

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[1] Farmers often send their cotton after it is ginned to a delinter which removes the lint from the seed, bags the seed in "brown bags" and returns them to the gin. Where such bags are sold, the sale is referred to as a "brown bag" sale.

Thomason does not explain how it is that, assuming he unwittingly bought Monsanto seed in the eight 50 pound brown bags in 1996, after saving seed on his entire crop, most of which was not Monsanto seed, only the seed saved from the Monsanto seed-grown cotton was planted on the 4,000 acres in 1997.

Although not clearly stated, defendants are apparently contending that by purchasing patented seed in unmarked brown bags from plaintiff's agent Mulhearn they acquired an "implied license" to use Monsanto's patented technology. Implied license is recognized as a defense to a patent infringement allegation and is a question of law. *Augustine Medical, Inc. v. Progressive Dynamics, Inc.*, 194 F.3d 1367 (1999), U.S. Court of Appeals Federal Circuit; *Met-Coil Systems Corp. v. Korners Unlimited, Inc.*, 803 F.2d 684 (Fed. Cir. 1986).

The appointment of a distributor to sell a product covered by a patent is analogous to a grant of a patent license. Such an action conveys an implied license to the distributor, thereby surrendering the patentee's right to exclude the distributor under the patent. *See* 35 U.S.C. §154(a)(1) 1994; *Genetic Implant Systems, Inc. v. Core-Vent Corp.*, 123 F.3d 1455, 1458 (Fed. Cir. 1997). That is the case presented here with regard to Monsanto's dealings with Delta and, in turn, Delta's dealings with Mulhearn's company, Tri-State. Indeed, there may well have been an express license between those parties, but whether the license between those parties was express or implied is not important to my determination as to the defendants.

As the Fifth Circuit has explained, the circumstances in which an implied license can be found are fairly broad.

The Supreme Court has determined that no formal granting of a license is necessary in order to give a license effect. Any language used by the owner of the patent or conduct on his part exhibited to another, from which the other may properly infer that the owner consents to his use of the patent in making or using it, or selling it, upon which the other acts, constitutes a license, and a defense to an action for a tort. *Wommack v. Durham Pecan Co., Inc.*, 715 F.2d 962, 969 at FN13 (5th Cir. 1983).

Thomason argues that, because he claims to have purchased the seed and plaintiffs say he did not, there is a genuine issue of material fact which precludes summary judgment. However, defendants have produced no documents evidencing the purchase of cotton seed from Mulhearn in 1996. There is no license, no invoice, no bill of sale, no canceled check, no proof of withdrawal from the bank of cash sufficient to buy the cotton seed, and no cash receipt. There are no records of Mulhearn's company, Tri-State, showing the sale or the receipt of cash from defendants.

Further, it would have been impossible for defendants to have purchased Monsanto's patented seed in a brown bag sale in 1996, for 1996 was the very first year the seed was ever marketed. Thus, the seed could not have been saved from a patented crop of prior years. And, defendants have offered no evidence that the patented seed could have come from any other source.[2]

---

[2] In other words, Mulhearn could not, for example, have transferred patented seed from a properly marked bag to a brown bag for sale. In addition to there being no apparent reason for him to do such a

(Continued on following page)

As stated above, defendants may not simply make unsupported conclusory allegations in order to defeat a motion for summary judgment.

The fact is that defendants planted 4,000 acres of cotton containing plaintiffs' patented gene technology, admit they have no license for the patented cotton and have offered no receipt, canceled check, invoice, or other evidence to show that they ever purchased Monsanto seed. There simply is no evidence on which the jury could reasonably find for the defendants.

Finally, to the extent that the defense offered by defendants is simply that they are innocent and did not intend to infringe the patent, such evidence is irrelevant. Innocent intent is no defense to a patent infringement action. *See Chavez v. Arte Publico Press*, 204 F.3d 601, 607[3] (5th Cir. 2000).

Therefore, based on the foregoing, I reject defendants' assertion that they did not infringe Monsanto's patent because they purchased the cotton seed from an authorized dealer.

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thing, the evidence before the court is that the Monsanto gene-containing seed was carefully monitored and, according to the unrefuted testimony of Mulhearn in deposition, he had to account for every bag.

[3] Innocent intent may, however, affect recoverable damages. 204 F.3d at 607.

2. Defendants claim that the patent is invalid.

Next, defendants assert with some lack of sincerity, that the exclusive statutory protection for genetically altered plant materials is contained in the Plant Variety Protection Act ("PVPA"), 7 U.S.C. §2321 et. seq. Defendants further assert that Congress did not intend for Monsanto's technology in this case to be patentable. Defendants acknowledge in brief, however, the decision of the court of appeal for the federal circuit in *Pioneer Hi-Bred Intern, Inc. v. J.E.M. Ag Supply, Inc.*, 200 F.3d 1374 (Fed. Cir. 2000), is contrary to their argument here. Defendants suggest only that the case was, in their opinion, incorrectly decided. I disagree and find that *Pioneer Hi-Bred*, though not the controlling in this circuit, is certainly dispositive of the issue presented. In *Pioneer Hi-Bred*, the district court and court of appeal relied heavily on the Supreme Court's decision in *Diamond v. Chakrabarty*, 447 U.S. 303, 100 S.Ct. 2204, 65 L.Ed. 2d 144 (1980). In rejecting the argument that seeds and seed-grown plants are excluded as patentable objects and may be protected only under the PVPA, the court found that a person who develops a new plant variety may either patent it or register it under the PVPA. The court concluded that "patentable subject matter under 35 U.S.C. §101, includes seed and seed-grown plants."

I find *Chakrabarty* and the language of the Act itself controlling and choose to follow the federal circuit's decision in *Pioneer Hi-Bred* and conclude, as did the federal circuit, that patentable subject matter under 35 U.S.C. 101 includes seed and seed-grown plants and, specifically, includes cotton seeds and Monsanto's technology sought to be protected in this lawsuit.

3. Discovery impediments.

Finally, defendants argue that Monsanto delayed production of discoverable documents which prevented defendants from adequately preparing for depositions and responding to Monsanto's motion for summary judgment. However, by Memorandum Ruling of April 14 [doc. #99], this court sua sponte suspended decision on this motion for summary judgment for a period of 120 days in order for defendants to complete all discovery necessary to properly respond to the motion for partial summary judgment. No additional request for extension of time was ever filed by defendants nor was other objection to the court's consideration of the motion brought to the court's attention. It appears that this argument is now moot, but, in any event, is without merit and is rejected.

Conclusion

In conclusion, there remain no genuine issues of material fact and mover, Monsanto, is entitled to judgment as a matter of law finding that its Patent 525 is a valid patent, that defendants had no express or implied license with regard to the patent and planted 4,000 acres of cotton and, therefore, have infringed Monsanto's technology protected by Patent 525.

THUS DONE AND SIGNED at Alexandria, Louisiana, this 6th day of September 2000.

/s/ James D. Kirk
JAMES D. KIRK
UNITED STATES
MAGISTRATE JUDGE

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF LOUISIANA
MONROE DIVISION

MONSANTO COMPANY AND DELTA AND PINE LAND COMPANY,	**CIVIL ACTION NO. 97-1454**
Plaintiffs	**JUDGE ROBERT G. JAMES**
versus	**MAG. JUDGE JAMES D. KIRK**
DALLAS THOMASON,	
Defendant	

JUDGMENT

(Filed Sept. 11, 2000)

For the reasons set forth in this Court's Ruling on Monsanto's Motion for Summary Judgment [Doc. #123];

IT IS ORDERED, ADJUDGED, AND DECREED that there is no genuine issue of material fact and that defendants did violate Delta's certificate of protection issued pursuant to the Plant Variety Protection Act. Delta's Motion for Summary Judgment is, accordingly, GRANTED.

MONROE, LOUISIANA this 11th day of September, 2000.

/s/ James D. Kirk
JAMES D. KIRK
UNITED STATES
MAGISTRATE JUDGE

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF LOUISIANA
(MONROE DIVISION)

MONSANTO COMPANY and DELTA AND PINE LAND COMPANY,	**CIVIL ACTION**
	NO. CV-97-1454
VERSUS	**JUDGE ROBERT G. JAMES**
DALLAS THOMASON,	**MAGISTRATE JUDGE KIRK**

JUDGMENT ON JURY VERDICT

(Filed Sept. 22, 2000)

A jury trial commenced on Monday, September 11, 2000 on the claims of plaintiffs, Monsanto Company and Delta and Pine Land Company, against defendants, Dallas Thomason, Lasley D. Thomason, David D. Thomason, Charles F. Thomason, Bale-A-Day, Inc., 3-T Cotton Farms of Rayville, Inc., and Lucknow, Inc., and was concluded on Wednesday, September 13, 2000.

Upon considering the prior rulings of this Court, the verdict of the jury, the evidence and the law, Judgment is hereby entered as follows:

The Court granted Monsanto's Motion for Summary Judgment on September 6, 2000, finding Monsanto's patent (U.S. Patent No. 5,196,525, hereinafter the '525 patent) to be valid. It was further determined by the Court that each of the defendants infringed the '525 patent by planting their farm acreage with cotton seed containing Monsanto's patented Bollgard technology. The Court also found that each of the defendants infringed Delta and Pine

Land Company's Certificate of Protection for NuCOTBN33[B] and NuCOTN 35[B].

Accordingly, the jury determined that Monsanto is entitled to compensation for the defendants' infringement of the '525 patent in the amount of $401.00 per acre. Each defendants' liability for the acreage planted is as follows:

Dallas Thomason ($401 x 456.9 acres)	$ 183,216.90
David D. Thomason ($401 x 578.2 acres)	$ 231,858.20
Lasley D. Thomason ($401 x 570.9 acres)	$ 228,930.90
Charles F. Thomason ($401 x 349.1 acres)	$ 139,989.10
Bale-A-Day, Inc. ($401 x. 269.8 acres)	$ 108,189.80
3-T Cotton Farms of Rayville, Inc. $401 x 272.7 acres)	$ 109,352.70
Lucknow, Inc. and Dallas Thomason ($401 x 835.7 acres)	$ 335, 115.70
Bale-A-Day, Inc. and Charles F. Thomason ($401 x 365.8 acres)	$ 146,685.80
3-T Cotton Farms of Rayville, Inc. and Bale-A-Day, Inc. ($401 x 300 acres)	$ 120,300.00
TOTAL ($401 x 3,999.1 acres)	**$ 1,603,639.10**

The jury found that Delta and Pine Land Company is entitled to compensation for the defendants' infringement of the Certificates of Protection for NuCOTN in the amount of $100.00 per acre. Each defendants' liability for the acreage planted is as follows:

Dallas Thomason ($100 x 456.9 acres)	$	45,690.00
David D. Thomason ($100 x 578.2 acres)	$	57,820.00
Lasley D. Thomason ($100 x 570.9 acres)	$	57,090.00
Charles F. Thomason ($100 x 349.1 acres)	$	34,910.00
Bale-A-Day, Inc. ($100 x 269.8 acres)	$	26,980.00
3-T Cotton Farms of Rayville, Inc. $100 x 272.7 acres)	$	27,270.00
Lucknow, Inc. and Dallas Thomason ($100 x 835.7 acres)	$	83,570.00
Bale-A-Day, Inc. and Charles F. Thomason ($100 x 365.8 acres)	$	36,580.00
3-T Cotton Farms of Rayville, Inc. and Bale-A-Day, Inc. ($100 x 300 acres)	$	30,000.00
TOTAL ($100 x 3,999.1 acres)	**$**	**399,910.00**

Furthermore, the Court enters the verdict of the jury, rendered on an advisory basis only, with regard to Monsanto Company's claim of willful infringement against Dallas Thomason, Lasley D. Thomason, Charles F. Thomason, Bale-A-Day, Inc., 3-T Cotton Farms of Rayville, Inc., and Lucknow, Inc.

This Judgment on Jury Verdict is subject to modification pending the Court's rulings on plaintiffs' claims concerning defendants' willfulness, enhanced damages and attorneys' fees, which the Court has set for hearing on October 30, 2000 at 1:00 p.m.

ACCORDINGLY, Judgment is rendered this 22nd day of September, 2000.

/s/ James D. Kirk
UNITED STATES
MAGISTRATE JUDGE

UNITED STATES DISTRICT COURT

WESTERN DISTRICT OF LOUISIANA

MONROE DIVISION

MONSANTO COMPANY, et al	CIVIL ACTION NO. 97-1454-M
VERSUS	U.S. MAGISTRATE JUDGE JAMES D. KIRK
DALLAS THOMASON, et al	

RULING ON POST TRIAL MOTIONS

(Filed Jun. 25, 2001)

Before the court are the following post-trial motions:

Defendants' motion for new trial and/or remittitur [Doc. #158], as amended by Doc. #201.

Plaintiff Monsanto Company's motion for judicial determination of willful patent infringement and for enhancement of damages, attorneys' fees, and pre and post judgment interest [Doc. #160].

Plaintiff Delta & Pine Land Company's post-trial motion for attorney's fees [Doc. # 161].

Plaintiff Delta & Pine Land Company's motion for judicial determination of willful infringement and for enhanced damages [Doc. #163].

These motions are to be decided by the undersigned pursuant to consent authority in this case. A hearing on these motions was held in Monroe, Louisiana on Monday, June 4, 2001.

Brief Factual Background

This is a suit for patent infringement filed by plaintiffs Monsanto Company ("Monsanto") and Delta & Pine Land Company ("Delta"). By Memorandum Ruling [Doc. #123] rendered September 6, [end p. 1]

* * *

[p. 36] bills and finds that the time spent by the attorneys in prosecuting the suit and in the activities charged is reasonable. It does appear, however, that one of the hourly rates, given the situs of the cause of action and trial and the prevailing rates in the Monroe, LA area and considering the rate charged by Delta's attorney and defendants' trial attorney of $150.00 an hour, is excessive. Therefore, this court reduces the hourly rate charged by Miles P. Clements to the sum of $177.04 which is the next highest rate charged by any of the plaintiffs' attorneys and is the rate charged by Clements' law partner, Scott S. Partridge. With that change, the total fees incurred and paid by Monsanto is $279,741.00, together with $57,469.13 in advanced costs, for a total of $337,210.13. The fees of Delta total $82,281.75 and $5,801.00 in expenses for a total of $88,082.75.

Conclusion

For the foregoing reasons, the motion for new trial and/or remittitur [Doc. #158, 201] is GRANTED IN PART and DENIED IN PART. The Judgment previously entered in this case will be amended to assess actual compensatory damages in favor of Monsanto against defendants as follows:

1. David D. Thomason	$ 34,894.37	(578.2 acres x $60.35)
2. Charles F. Thomason	$ 21,068.19	(349.1 acres x $60.35)
3. 3-T Cotton Farms	$ 16,457.45	(272.7 acres x $60.35)
4. Dallas Thomason	$ 27,573.92	(456.9 acres x $60.35)
5. Lasley D. Thomason	$ 34,453.82	(570.9 acres x $60.35)

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6. Bale-A-Day, Inc.	$ 16,282.43	(269.8 acres x $60.35)
7. Charles F. Thomason & Bale-A-Day, Inc.	$ 22,076.03	(365.8 acres x $60.35)
8. Dallas Thomas and Lucknow, Inc.	$ 50,434.50	(835.7 acres x $60.35)
9. 3-T Cotton Farms and Bale-A-Day, Inc.	$ 18,105.00	(300 acres x $60.35)

The Judgment previously entered in this case will be amended to assess actual compensatory damages in favor of Delta against defendants as follows:

1. David D. Thomason	$ 17,357.56	(578.2 acres x $30.02)
2. Charles F. Thomason	$ 10,479.98	(349.1 acres x $30.02)
3. 3-T Cotton Farms	$ 8,186.45	(272.7 acres x $30.02)
4. Dallas Thomason	$ 13,716.14	(456.9 acres x $30.02)
5. Lasley D. Thomason	$ 17,138.42	(570.9 acres x $30.02)
6. Bale-A-Day, Inc.	$ 8,099.40	(269.8 acres x $30.02)
7. Charles F. Thomason & Bale-A-Day, Inc.	$ 10,981.32	(365.8 acres x $30.02)
8. Dallas Thomas and Lucknow, Inc.	$ 25,087.71	(835.7 acres x $30.02)

9. 3-T Cotton Farms
and Bale-A-Day, Inc. $ 9,006.00 (300 acres x $30.02)

Therefore, the Judgment previously entered in this case will be amended to reflect compensatory damages, including enhanced damages, in favor of Monsanto in the following amounts:

1. David D. Thomason $ 34,894.37(no enhanced damages)

2. Charles F. Thomason $ 42,136.38

[p. 38]

3. 3-T Cotton Farms $ 32,914.90

4. Dallas Thomason $ 55,147.84

5. Lasley D. Thomason $ 68,907.64

6. Bale-A-Day, Inc. $ 32,564.86

7. Charles F. Thomason
& Bale-A-Day, Inc. $ 44,152.06

8. Dallas Thomas and
Lucknow, Inc. $100,869.00

9. 3-T Cotton Farms
and Bale-A-Day, Inc. $ 36,210.00

Therefore, the Judgment previously entered in this case will be amended to reflect compensatory damages, including enhanced damages, in favor of Delta in the following amounts:

1. David D. Thomason $ 17,357.56 (no enhanced damages)

2. Charles F. Thomason $ 20,959.96

3. 3-T Cotton Farms $ 16,372.90

4. Dallas Thomason $ 27,432.28

5. Lasley D. Thomason $ 34,276.84

6. Bale-A-Day, Inc. $ 16,198.80

7. Charles F. Thomason & Bale-A-Day, Inc. $ 21,962.64

8. Dallas Thomas and Lucknow, Inc. $ 50,175.42

9. 3-T Cotton Farms and Bale-A-Day, Inc. $ 18,012.00

In addition, the court will amend the Judgment to order payment by all defendants jointly of attorneys' fees in the amount of [p. 39] $279,741.00 to Monsanto and $82,281.75 to Delta, together with $57,469.13 in advanced costs and expenses to Monsanto and $5,801.00 in expenses to Delta. In addition, prejudgment interest is awarded on all amounts in accordance with law from the date of judicial demand.

Defendants' amended counterclaim will be dismissed.

A Judgment will follow which will give plaintiffs the choice of accepting the remitted damage award or a new trial on the issue of damages in the alternative.

[p. 40] THUS DONE AND SIGNED at Alexandria, Louisiana, this 20th day of June 2001.

/s/ James D. Kirk
JAMES D. KIRK
UNITED STATES
MAGISTRATE JUDGE

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF LOUISIANA
MONROE DIVISION

MONSANTO COMPANY, et al	CIVIL ACTION NO. 97-1454-M
VERSUS	
DALLAS THOMASON, et al	U.S. MAGISTRATE JUDGE JAMES D. KIRK

AMENDED JUDGMENT ON JURY VERDICT
(AMENDING DOCUMENT #155)
AND GRANTING NEW TRIAL
AND/OR REMITTITUR

(Filed July 11, 2001)

The Judgment on Jury Verdict [Doc. #155] signed September 22, 2000 is AMENDED to reflect that, in accordance with the verdict of the jury and the finding of the court, Dallas Thomason, Lasley D. Thomason, Charles F. Thomason, Bale-A-Day, Inc., 3-T Cotton Farms of Rayville, Inc. and Lucknow, Inc. willfully infringed Monsanto Company's patent and Delta and Pine Land Company's certificate of protection and that enhanced damages of double the amount of actual damages is awarded.

Attorney's fees are awarded to Monsanto Company in the amount of $279,741.00 and to Delta and Pine Land Company in the amount of $82,281.75. Costs and expenses are awarded to Monsanto Company in the amount of $57,469.13 and to Delta and Pine Lane [sic] Company in the amount of $5,801.00. Monsanto is awarded $75,545.83 for expenses in testing and analyzing defendants' cotton fields.

Prejudgment interest is awarded on all amounts in accordance with law from the date of judicial demand.

Defendants' counter-claim, as amended, is DISMISSED.

Further, defendants' motion for new trial and/or remittitur [Doc. #158, as amended by Doc. #201] is GRANTED IN PART and DENIED IN PART such that the plaintiffs have a choice of accepting a remitted damage award in the amount of $447,797.05 to Monsanto Company and $222,748.40 to Delta Pine and Land Company or, in the alternative, a new trial limited to the issue of damages. Plaintiffs shall advise the court in writing of their acceptance or rejection of the remittitur within ten days of the date of this Judgment.

This Judgment is subject to vacating in the event of a new trial or amendment in the event of acceptance by plaintiffs of the remitted amounts. At that time a final judgment will be "entered." Fed.R.Civ.P. 54(b). The clerk is instructed not to enter this judgment,.

AMENDED JUDGMENT SIGNED this 10th day of July 2001 at Alexandria, Louisiana.

/s/ James D. Kirk
JAMES D. KIRK
UNITED STATES
MAGISTRATE JUDGE

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF LOUISIANA
MONROE DIVISION

MONSANTO COMPANY, et al	CIVIL ACTION NO. 97-1454-M
VERSUS	
DALLAS THOMASON, et al	U.S. MAGISTRATE JUDGE JAMES D. KIRK

MEMORANDUM RULING

(Filed July 20, 2001)

Before the court is Monsanto Company's motion to amend [Doc. #221]. Monsanto's motion to amend the court's ruling to award the costs of sampling, testing and analyzing defendants' cotton fields in the amount of $75,545.83 is GRANTED. The judgment will so reflect. In all other respects, the motion to amend is DENIED. The court's ruling made clear that the remitted amount is the highest amount a reasonable jury could have awarded.

THUS DONE AND SIGNED at Alexandria, Louisiana, this 20th day of July 2001.

/s/ James D. Kirk
JAMES D. KIRK
UNITED STATES
MAGISTRATE JUDGE

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF LOUISIANA
MONROE DIVISION

MONSANTO COMPANY, et al	CIVIL ACTION NO. 97-1454-M
VERSUS	
DALLAS THOMASON, et al	U.S. MAGISTRATE JUDGE JAMES D. KIRK

FINAL JUDGMENT ON JURY VERDICT IN ACCORDANCE WITH REMITTITURS (AMENDING DOCUMENT #155 AND #224)

(Filed Aug. 20, 2001)

The Judgment on Jury Verdict [Doc. #155] signed September 22, 2000 and Amended Judgment on Jury Verdict (Amending Document #155) and Granting New Trial and/or Remittitur [Doc. #224] are AMENDED to reflect that, in accordance with the verdict of the jury and the finding of the court, Dallas Thomason, Lasley D. Thomason, Charles F. Thomason, Bale-A-Day, Inc., 3-T Cotton Farms of Rayville, Inc. and Lucknow, Inc. willfully infringed Monsanto Company's patent and Delta and Pine Land Company's certificate of protection and that enhanced damages of double the amount of actual damages is awarded.

In accordance with the complainants' acceptance of remittiturs,

IT IS ORDERED that there be judgment in favor of Monsanto Company and against Dallas Thomason, Lasley D. Thomason, David D. Thomason, Charles F. Thomason, Bale-A-Day, Inc., 3-T Cotton Farms of Rayville, Inc. and

Lucknow, Inc. in the amount of $447,797.05, which includes compensatory and enhanced damages.

IT IS FURTHER ORDERED that there be judgment in favor of Monsanto Company and against Dallas Thomason, Lasley D. Thomason, David D. Thomason, Charles F. Thomason, Bale-A-Day, Inc. 3-T Cotton Farms of Rayville, Inc. and Lucknow, Inc., jointly and in solido, in the amount of $279,741.00 attorney's fees, together with $57,469.13 in advanced costs and expenses, and $75,545.83 for expenses in testing and analyzing defendants' cotton fields.

IT IS FURTHER ORDERED that there be judgment in favor of Delta and Pine Land Company against Dallas Thomason, Lasley D. Thomason, David D. Thomason, Charles F. Thomason, Bale-A-Day, Inc., 3-T Cotton Farms of Rayville, Inc. and Lucknow, Inc. in the amount of $222,748.40, which represents compensatory and enhanced damages.

IT IS FURTHER ORDERED that there be judgment in favor of Delta Pine Land Company against Dallas Thomason, Lasley D. Thomason, David D. Thomason, Charles F. Thomason, Bale-A-Day, Inc., 3-T Cotton Farms of Rayville, Inc. and Lucknow, Inc., jointly and in solido, in the amount of $82,281.75 attorney's fees, together with $5,801.00 in advanced costs and expenses.

Defendants' counter-claim, as amended, is DISMISSED.

IT IS FURTHER ORDERED that prejudgment interest is awarded on all amounts in accordance with law from the date of judicial demand.

The clerk of court is instructed to enter judgment.

JUDGMENT SIGNED at Alexandria, Louisiana, this 20th day of August 2001.

/s/ James D. Kirk
JAMES D. KIRK
UNITED STATES
MAGISTRATE JUDGE

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

01-1643,-1644

MONSANTO COMPANY,

Plaintiff-Appellee,

and

DELTA AND PINE LAND COMPANY,

Plaintiff-Appellee,

v.

DALLAS THOMASON, DAVID D. THOMASON, and LUCKNOW, INC.,

Defendants-Appellants,

and

CHARLES F. THOMASON and BALE-A-DAY, INC.,

Defendants-Appellants,

and

LASLEY D. THOMASON and 3-T COTTON FARMS OF RAYVILLE, INC.,

Defendants,

and

COTTON PLANTATION, INC.,

Defendant.

ORDER

(Filed Dec. 11, 2002)

A petition for rehearing en banc having been filed by the APPELLANTS,* and the matter having first been referred as a petition for rehearing to the panel that heard the appeal, and thereafter the petition for rehearing en banc having been referred to the circuit judges who are in regular active service.

UPON CONSIDERATION THEREOF, it is

ORDERED that the petition for rehearing be, and the same hereby is, DENIED and it is further

ORDERED that the petition for rehearing en banc be, and the same hereby is, DENIED.

The mandate of the court will issue on December 18, 2002.

FOR THE COURT,

/s/ Jan Horbaly
Jan Horbaly
Clerk

Dated: December 11, 2002

cc: Bruce Johnson, Rex Rainach
Miles Clements, Andrew N. Alexander, III

MONSANTO CO V THOMASON, 01-1643, -1644
(DCT – 97-CV-1454)

Note: Pursuant to Fed. Cir. R. 47.6, this order is not citable as precedent. It is a public record.

* The petition was filed by Dallas Thomason, David Thomason and Lucknow, Inc.

7 U.S.C. § 2401

2401. Definitions and rules of construction

(a) Definitions

As used in this chapter:

* * *

(3) Essentially derived variety

(A) In general

The term "essentially derived variety" means a variety that –

(i) is predominantly derived from another variety (referred to in this paragraph as the "initial variety") or from a variety that is predominantly derived from the initial variety, while retaining the expression of the essential characteristics that result from the genotype or combination of genotypes of the initial variety;

(ii) is clearly distinguishable from the initial variety; and

(iii) except for differences that result from the act of derivation, conforms to the initial variety in the expression of the essential characteristics that result from the genotype or combination of genotypes of the initial variety.

(B) Methods

An essentially derived variety may be obtained by the selection of a natural or induced mutant or of a somaclonal variant, the selection of a variant individual from plants of

the initial variety, backcrossing, transformation by genetic engineering, or other method.

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7 U.S.C. § 2541

2541. Infringement of plant variety protection

* * *

(c) Applicability to certain plant varieties

This section shall apply equally to –

(1) any variety that is essentially derived from a protected variety, unless the protected variety is an essentially derived variety;

(2) any variety that is not clearly distinguishable from a protected variety;

* * *

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7 U.S.C. § 2543

2543. Right to save seed; crop exemption

Except to the extent that such action may constitute an infringement under subsections (3) and (4) of section 2541 of this title, it shall not infringe any right hereunder for a person to save seed produced by the person from seed obtained, or descended from seed obtained, by authority of the owner of the variety for seeding purposes and use such saved seed in the production of a crop for use on the farm of the person, or for sale as provided in this section. A bona fide sale for other than reproductive purposes, made in

channels usual for such other purposes, of seed produced on a farm either from seed obtained by authority of the owner for seeding purposes or from seed produced by descent on such farm from seed obtained by authority of the owner for seeding purposes shall not constitute an infringement. A purchaser who diverts seed from such channels to seeding purposes shall be deemed to have notice under section 2567 of this title that the actions of the purchaser constitute an infringement.

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7 U.S.C. § 2544

2544. Research exemption

The use and reproduction of a protected variety for plant breeding or other bona fide research shall not constitute an infringement of the protection provided under this chapter.

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35 U.S.C. § 101

101. Inventions patentable

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

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35 U.S.C. § 112. Specification

The specification shall contain a written description of the invention, and of the manner and process of making

and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor of carrying out his invention.

* * *